

looking ahead

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the people of NPA

Vol. 5, No. 3

April 1957

A Church Looks at 1970

by Bishop Richard S. Emrich

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LONG-RANGE PLANNING is not confined to economic or agricultural programs, individual saving methods, or to the dream of that little white cottage on the hill. In an era of rapid community development and booming population growth, the churches of all faiths today find themselves faced with many perplexing problems of expanding their ministry to all the people. An experiment in planning for the future now under way in the Episcopal Diocese of Michigan is this church's effort to meet the challenge of the changing times.

Through some 168 parishes and missions, scattered over approximately 22,000 square miles, departments of the Episcopal Diocese of Michigan are seeking to keep abreast of local problems and devise long-range solutions.

Out of the pressing need to keep up with population movement and plan for future church sites, a new group known as the Society for the Growth of the Church has been added to the diocesan organization. The Society charts the areas of future population growth, locates and purchases prospective building sites before availability becomes too costly. It also deals with the problems of changing city neighborhoods and the decay of old urban churches. With the shifting of large segments of the population to suburbia, only a few members find it convenient to travel the many miles to continue to support their old church. As a result, downtown urban churches have been seriously neglected and badly need some workable solution, not only in Michigan but in every large urban area.

In an effort to meet the problem of urban churches, a concrete policy has been worked out in Michigan: "Every church shall minister to all the people of its neighborhood, regardless of racial or

Economic Challenge

- "Ours is the challenge of achieving the delicate economic balance within the framework of our free economy in which we encourage maximum voluntary economic decisions, with a minimum of governmental economic directives. The degree of government interference into our economic life will be determined in a large measure by the degree of social and moral responsibility and concern for the general welfare that free economic groups demonstrate in making their voluntary economic decisions. When free economic groups fail to carry out their basic social and moral responsibilities to the community as a whole, the vacuum created by such failure will inevitably be filled by greater government intervention into the economic sphere and the area of voluntary economic decisions will be narrowed in like proportion."

From a letter to President Dwight D. Eisenhower from Walter P. Reuther, President, International Union, United Automobile Workers, dated November 28, 1956, published in the "Congressional Record" of January 17, 1957.



economic situation." It is slow, hard work to get people and parishes to apply this principle, but it is hoped that this plan will bear rich fruit by 1970.

In the past 14 months in Michigan, 14 new Episcopal missions have been established. The secret has been that "Every parish shall start its own parochial mission." Thus, the initiative comes at the local level, and a top-heavy growth of the central organization is avoided.

Adequate religious programs for young people are receiving increased attention. A once partially active Division of Boys' Work has been rejuvenated and now has its sights set on a vigorous and continuing program of building for the future. At the core of the planning is the boys' summer camp. Policies have been set to increase enrollments, to improve the staff, and to add capital improvements annually, with scheduled additions to facilities and equipment carefully charted for the next 10 years. A similar program of looking to the future is under way in girls' work, with plans for a full-time field director and financial backing by the central budget of the diocese.

A continuing relationship with the young people of Michigan parishes is the special responsibility of a Department of College Work, which keeps in touch with undergraduate students in liberal arts colleges and universities and maintains chaplains on all Michigan campuses. A plan has even been worked out to reach other institutions of learning, such as business schools, trade schools, and junior colleges.

SUCCESSFUL PLANNING, however, requires widespread and effective communication. Radio, television, newspapers, and other mass media have been employed, and staff members, trained to deal with these modern means of communication, are now on the payroll. A recent survey shows they are reaching about 125 million people each year.

For years many churches have been operating much as they have for generations past and in Michigan, before a new policy of looking ahead took hold, many operations were still paralleling those of 1832, when the diocese was first founded. Now things have begun to change. One of the most dramatic illustrations of this new concept of proper planning is illustrated in the effort to make a complete organizational survey. A typical business operation, commonplace on the American scene, this survey is one of the first for a church organization on such a broad scale.



Detroit Free Press Photo

Bishop Richard S. Emrich

Every aspect of the functioning of the diocese is being put under a microscope by five outside "task-forces." Their central question is: "How should this be organized and operated to do its job right, both now and in 1970?"

In Michigan, the Episcopal Diocese has worked hard for the last six years to teach its people a new standard of Christian giving, or modern tithing. In reviving this age-old concept, the policy established in Michigan suggested that, instead of returning the traditional ten percent of his earnings to the church, the individual should give five percent to God's work through the church and five percent to God's work through local charities. Such a policy can have far-reaching affects on the social and economic life of any community.

This is the story of one church's effort to look and plan ahead to 1970.

Foreign Trade Chairman

Sidney A. Swensrud, member of the NPA National Council, has been named the new chairman of the National Committee for a Foreign Trade Policy. Mr. Swensrud is chairman of the board of the Gulf Oil Corporation.

A Need for Adequate Statistics for Appraising the Current Economic Situation

The following is a partial text of the Business Committee statement released on April 1, 1957:

VARIOUS and in part contradictory theories are offered as plausible interpretations of the current economic conditions. However, the statistical evidence is often insufficient to validate the theoretical propositions and to determine appropriate policies. And the current state of confusion is in large measure attributable to the lack of factual statistical information.

For instance, any discussion about the alleged cost-raising effect of wage increases remains futile unless better statistical information becomes available about productivity gains. Business and labor do not now have the factual information needed for guiding a policy designed to provide the maximum feasible increase in purchasing power without inflationary price and cost rise.

The controversy about saving is conducted entirely in a vacuum. A task force, appointed by the Federal Reserve Board in response to a suggestion by the Joint Economic Committee, explored every available bit of information on saving and concluded, in June 1955 "that substantial improvements are necessary to make the statistics of saving an adequate tool of economic and business analysis." The Budget Bureau has designated the Board of Governors of the Federal Reserve as the "focal agency" for the development of improved saving statistics. Also, private research organizations are engaged in experimental work in this field. However, no surveys on saving have been undertaken or initiated on an adequate scale.

The costs of adequate statistical information should be seen in the light of the waste which can result from an erroneous interpretation of the economic situation and from public policies moving in the wrong direction or from failure to act in time because of uncertainties in the interpretation of the economic situation.

THE Business Committee of the National Planning Association therefore recommends that the executive agencies and the Federal Reserve System develop a long-range statistical improvement program. Such a program should determine the relative priorities for filling existing gaps in information. It

should also bring obsolete statistical series up-to-date. Every effort should be made to assure that this program be implemented as promptly as possible by the Federal Reserve system and the executive agencies concerned. The Committee notices with satisfaction that the Joint Economic Committee of the Congress in its recent "1957 Joint Economic Report" again recognizes the importance of additional economic statistics and urges Congressional action to improve Federal statistical programs. The present situation demonstrates the high costs of ignorance and the need to fashion better measures of performance of the American economy.

Members of the NPA Business Committee Signing the Statement

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Market Research in Europe

THE DEMAND for market research in Western Europe is increasing with the drive for production, according to a study of market research methods recently released by the Organization for European Economic Cooperation. The author, Dr. Clodwig Kapferer, Vice-President of the European Society for Opinion Surveys and Market Research, points out in the 190-page report that there has been a rapid growth of institutional, non-profit and government-established market research organizations, as well as departmental research units within industry.

The OEEC report stresses the importance to both large and small firms operating in a free economy of a thorough knowledge of market conditions in determining consumer demand and production requirements. Market research as now conducted in Europe is examined with a detailed description of the various methods and patterns of organization. Although there has been American influence on European market research, the European pattern of organization is noticeable different, placing less emphasis on the methods of opinion research.

The report discusses improving European market research in terms of promoting contact between the client and market researcher, maintaining professional standards, training, and measures for increasing the application of market research. Private market research societies are being established to promote co-ordination, professional ethical standards, and cooperation among the experts.

("Market Research Methods in Europe," by Dr. Clodwig Kapferer. From: OEEC, 2002 P St., N. W., Washington, D. C. \$1.50. 192 pp.)

Bibliography of Urban Problems

A 341-page bibliography on metropolitan problems has recently been prepared by the Government Affairs Foundation, Inc. It should be particularly useful to civic leaders, public officials, teachers, and students who are inquiring into governmental problems of metropolitan areas.

("Metropolitan Communities: A Bibliography," published by the Public Administration Service. From: 1313 East 60th Street, Chicago 37, Illinois)

—the people of NPA—

Courtney

C.

Brown



NPA trustee Courtney C. Brown rose quickly to the top echelon in two fields, business and education. He began the first career as clerk in the New York Stock Exchange in 1926 after being graduated with a B. S. in economics from Dartmouth. By 1954, he was assistant to the chairman of the Board of Directors of Standard Oil Co. (N. J.). He joined the Bankers Trust as investment analyst (1930), served as associate director of research of the Chase National Bank (1940-41), and headed the petroleum economics division of Standard Oil (1952). In 1936, Mr. Brown enrolled in Columbia University to begin the first phase of his other career, receiving his Ph.D in 1940. Dr. Brown has been dean of the Graduate School of Business at Columbia since 1954, and served as Vice President for Business Affairs of the University for one year. He is a director of: The Council for Financial Aid to Education; Associated Universities, Inc. (Brookhaven National Laboratories); Union Pacific Railroad; and American Gas and Electric. During World War II, he was assistant chief of the Division of Defense Materials, Department of State; vice president of the Commodity Credit Corporation, Department of Agriculture (1942-43); deputy director of the Equipment Bureau of the War Production Board, (1943-44); chief of the Division of War Supply and Resources, Department of State (1943-45); and vice chairman of President Truman's National Famine Emergency Committee. Dr. Brown has said: "The abundance and freedom of our society will be observed and adopted by the world's peoples, if we do not insist on confusing ourselves and the world regarding what we really do have. In our economic system, properly understood, we have the spiritual as well as the material means of winning the peace."

Impact of U. S. Investment in Latin America

THE ECONOMIC significance of private investment by U. S. companies in Latin America is analyzed in the Department of Commerce's January publication, "Survey of Current Business." The article by Samuel Pizer and Frederick Cutler highlights a 1955 study by the Office of Business Economics, Department of Commerce. The Office believes that the facts and interpretations presented in this study indicate the economic impact of U. S. companies on Latin America more fully than previously published data.

The companies surveyed accounted for 85 percent of the total investments by U. S. Companies in Latin America; their earnings accounted for four-fifths of the investing U. S. companies. The study analyzes their operations in relation to the balance of payments, foreign trade, total output, income, employment, government revenue, and capital investment of the Latin American countries. The report does not cover the contributions to social services or technical and management innovations introduced by the companies.

The report presents the following major findings:

- The total private U. S. capital investment in Latin America amounted to \$600 million, over \$400 million of which was spent for plants and equipment, development of new sources of raw materials, and addition to inventories. This investment and establishment of productive facilities was important in raising the productive capacity of the Latin American countries. Half of the total investment was made by the petroleum companies interested in developing new mineral areas; manufacturing companies invested \$10 million, public utilities \$65 million, mining \$60 million and agriculture \$30 million.
- U. S. companies added \$4.8 billions of goods and services in 1955 to the net production of the area.
- Petroleum and other products are being made available for use in the growing economies of the Latin American countries.
- Goods manufactured by the U. S. companies

are sold mainly within the countries where the enterprises are located, and in 1955, \$3.5 billions of goods produced by U. S. companies was made available to Latin America.

- The U. S. companies generated a considerable portion of the total income in Latin America. For example, payments to approximately 600,000 employees totaled \$1 billion. The manufactured goods per employee averaged \$3,000 in value, and the annual average compensation about \$1,600. Wages differed among the industries and sometimes within the industries, reflecting the standards of the areas.
- The income of Latin America was further increased by over \$1 billion in taxes received by Latin American governments from U. S. companies.
- Exports by U. S. companies accounted for 30 percent of all Latin American exports. (One-third of the exports came to the U. S.) Imports by these companies totaled about \$700 million, accounting for about 10 percent of Latin American imports, and including a significant part of the capital equipment. The influence of U. S. imports may be greater than the statistics indicate; since much is equipment, the Latin Americans have been familiarized with American machinery thereby creating a growing demand.
- Manufactures produced locally by the U. S. companies were an important supplement to imports.

The report points out that an extension to other regions of this type of study—analyzing U. S. companies' production of goods and services for export and home use, and their investment in the development of additional productive capacity—would show that similar benefits are derived from U. S. private investment by many countries in other parts of the world.

("The Role of U. S. Investments in the Latin American Economy," by Samuel Pizer and Frederick Cutler, in "Survey of Current Business," January 1957. From: U. S. Department of Commerce, Washington 25, D. C.)

National Accounts Review Committee

AT THE REQUEST of the Office of Statistical Standards, Bureau of the Budget, the National Bureau of Economic Research has established a National Accounts Review Committee under the chairmanship of Raymond W. Goldsmith.

The Committee will survey the government's national income, flow of funds, and inter-industry work. NPA chief economist Gerhard Colm is a member of the Committee, which will submit its report before June 30th.

Subcommittees have also been set up to prepare preliminary statements on major aspects of the individual system of accounts and their interrelationship. To date, the Committee has discussed the problems of data used in the national accounting systems, and reviewed various alternatives suggested by users, with academic specialists, representatives of the UN and OEEC, groups of users, and Federal agencies producing data incorporated into national accounts.

("Review of Present Systems of National Accounts," by Stanley Lebergott, in "Statistical Reporter," February 1957. From: Office of Statistical Standards, Bureau of the Budget, Washington 25, D. C.)

The Mid-20th Century President

THE POWERS and expectations transforming the office of the mid-twentieth century U. S. President are the symposium topic of the last issue of Duke University's quarterly, "Law and Contemporary Problems." The contributors, who are economists, professors of political science, industrial consultants, and authors in the field of public administration, discuss: the mid-century President as an institution of government; succession and disability based on precedent, constitutional intent and present definition; plans for presidential staffing, including a history of the Executive Office; the dual role of the President as executive officer and party leader; the constitutional, historical, and present basis of the President as international leader; and the role of the Executive Office in relation to the President.

Gerhard Colm, NPA chief economist, contributed a chapter discussing the 20-year development of the Executive Office in relation to fiscal and economic policy.

("Law and Contemporary Problems." From: Duke University, Durham, N. C. Autumn 1956. \$2.00)

Nuclear Congress

THE LATEST information in nuclear science, engineering and management for the peaceful uses of atomic energy was presented in over 150 technical papers delivered by leading engineers and scientists at the 1957 Nuclear Congress in Philadelphia, March 11-15.

The 2nd Nuclear Engineering Conference, 5th Atomic Energy in Industry Conference, 5th Hot Laboratories and Equipment Conference, and the 3rd International Atomic Exposition met simultaneously during the Congress, which was sponsored by 20 engineering and scientific societies and coordinated by the Engineers Joint Council.

(Engineers Joint Council, 29 West 39th Street, New York 18, N. Y.)

Canada and Russia in the Arctic

NO LONGER separated by the continent of Europe and the Atlantic Ocean, the Soviet Union and Canada, the two major Arctic powers, are each looking north as never before.

R. A. J. Phillips, Executive Officer in the Canadian Department of Northern Affairs and National Resources, in a recent publication of the Canadian Institute of International Affairs, discusses the problems of the two powers in administration, transportation, and resource development in the region. Mr. Phillips analyzes the factors during the past 20 years that have served to emphasize both Canadian and Soviet development of the north.

("Canada and Russia in the Arctic," by R. A. J. Phillips, in the Canadian Institute of International Affairs "Behind the Headlines" series. From: 230 Bloor Street West, Toronto, Canada. 12 pp. 20¢)

The Foreign Aid Program

AT THE REQUEST of the Senate Foreign Relations Committee, NPA chairman H. Christian Sonne testified on the impact of the foreign aid program on the U.S. economy. In his testimony of March 22, Mr. Sonne said that "foreign aid programs should be appraised primarily in terms of their effectiveness in implementing the international policy of the United States rather than in terms of their effects on the domestic economy."

Continuing his testimony, Mr. Sonne said that the current \$4.4 billion foreign aid expenditure does not exceed the capacity of the United States. Foreign aid programs have probably made only a minor contribution to current price rises. He believes that "the costs of foreign aid should be viewed in the perspective of the growing productivity. If we maintain reasonably full employment, total production should rise each year by more than 3 percent, or by \$12 to \$15 billion per year, measured in constant prices."

Mr. Sonne pointed out that "foreign aid shipments have been relatively small in relation to total U.S. production. During the period 1948-1955, foreign aid shipments amounted to more than 5 percent of domestic production of a number of agricultural products; construction, mining and conveying equipment; machine tools, engines and turbines; and tractors. On the other hand, the number of industries for which foreign aid is an important percentage of production has been reduced." The number of industries in which foreign aid made up a substantial part of the total export has also declined.

Mr. Sonne stated that from 1948-1951, almost all foreign aid was economic. Since 1951, the largest part has been military—recently, one-half for military expenses and one-third for defense support. Although not judging the merits of military aid, Mr. Sonne viewed it as an extension of our national security.

"In recent years," Mr. Sonne told the Committee, "gross returns from foreign countries have amounted to more than 10 percent of current aid payments, military and economic. In 1956, repayments received from European countries for all past U. S. foreign aid about

equalled the payments to them by the United States for all economic aid purposes."

Mr. Sonne went on to say that "as long as international political and economic conditions obstruct the free flow of private capital, government programs are needed in the long-term interest both of the receiving countries and of the U. S."

"We do not need foreign aid programs for the support of the domestic economy," he emphasized. We should not use foreign aid as a means of combating inflation or recession. "There are other instruments of policy, private and public, suitable for dealing with the short run cyclical fluctuations." Mr. Sonne does not believe that "a foreign aid program will meet our major foreign policy objectives if it is used as a domestic stabilizer, curtailing it at times of inflation, expanding it at times of slack. He warned that "we must be prepared to face the problem of rising prices and costs, irrespective of the magnitude of the foreign aid program."

Continuing, Mr. Sonne said that a policy of economic stabilization in which agriculture, business, labor and government play their part is of crucial importance.

Agricultural Surplus Disposal

Mr. Sonne also presented NPA Agriculture Committee on National Policy considerations regarding the disposal of agricultural surpluses. The NPA Committee, studying ways our abundant agricultural supplies can be used to mutually benefit the United States and people abroad, pointed out that:

- Our appraisal shows that the program is working well and that there are many opportunities for its broader and more effective use.
- Continuation of the program for disposal of our agricultural surpluses abroad in a way that will give greater economic aid to underdeveloped countries would be in the national interest.
- Our study leads to the conclusion that the programs have been well administered but that improvements in procedure and structure are needed.

(continued)

National food reserves, maintained on a continuing basis and administered carefully would be useful in countries with meager food supplies.

"The need for economic development," Mr. Sonne concluded, "is so apparent, and the shortage of food is so great in many underdeveloped countries, that opportunities for the constructive use of our agricultural surpluses may well increase in the years ahead."

Power from Sea Water

THE FIRST power plant to operate on thermal energy from sea water is being built by France in Abidjan, French West Africa. The principle of thermal power from sea water is based on the difference in temperature of two neighboring bodies of water. One mass is warm water from the surface of tropical seas, and the other is cold water from the polar regions which remains stagnant and lies at great depths because of its heavier density.

Thermal energy is produced by placing quantities of water of these two different temperatures in a special thermal machine.

The idea is not new; French engineers have been experimenting with this method since 1926. In 1939, they succeeded in operating a turbine for several days in Cuba solely on the thermal power of sea water.

These early experiences paved the way for further research which was begun in 1941 under the auspices of official French Government organizations. A special company has been set up to proceed with the plant in Abidjan where the natural conditions necessary for such a project are readily found.

There are great advantages for industry that such a plant may offer. In Abidjan, for example, in addition to the sale of electricity produced by the 7,000 kilowatts from the two groups, the plant will furnish large quantities of pure fresh water, produced by condensing steam from the sea water.

("French Economic and Technical Bulletin," No. 7-8, 1956. From: Economic Section, Embassy of France, 1001 Connecticut Avenue, N. W., Washington, D. C.)

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Vol. 5, No. 3



April 1957

Form 3547 Requested

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